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ONE HUNDRED SEVENTH CONGRESS

U.S. House of Representatives

Committee on Energy and Commerce

Washington, DC 20515-6115

WILLIE TAUZA LOUISIANA
CHAIRMAN

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FEB = 5 2003

April 18, 2001

Federal Communications Commission
Office of the Secretary

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The Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Powell:

The Federal Communications Commission (Commission) has a panoply of rules governing the ownership of U.S. broadcast properties. These rules -- in particular the national television ownership cap, the newspaper/broadcast station and cable broadcast station cross-ownership rules -- were born at a time when only three major networks dominated broadcasting and a time where there were far fewer electronic media outlets and a real need to increase the diversity of viewpoints. While Congress certainly has an interest in promoting diversity in the media marketplace, the increasingly competitive nature of that marketplace -- in particular, the explosion of media outlets resulting from the growth of cable, satellite, the Internet and other forms of media -- necessitates a fundamental re-examination of the continuing validity of the assumptions underlying these broadcast ownership rules, and the rules themselves. We are particularly concerned that the perpetuation of rules enacted to a media marketplace long gone-by may have the effect of no longer promoting diversity. Instead, they may have the effect of thwarting the growth and competitiveness of free, over-the-air broadcasters, especially vis-a-vis pay television services, which face virtually no government-imposed limits on their ability to grow and compete in an increasingly global marketplace.

There are two means by which the Commission could accomplish this review. First, it could initiate anew, formal rulemaking proceeding addressing these rules comprehensively. Alternatively, Section 202(h) of the 1996 Act requires the Commission to review its ownership rules biennially to "determine whether any of such rules are necessary in the public interest as the result of competition." We are quite pleased that you recently testified before the House Telecommunications and Internet Subcommittee that you consider this evaluation to be an "obligation" and that you are committed to undertaking a serious review of the regulatory standards -- without presupposing the outcome -- to respond to changes in the broadcast industry. In the event that the Commission

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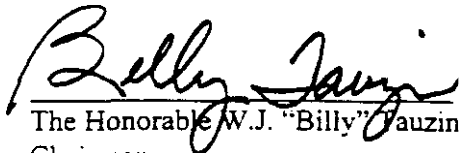
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chooses not to initiate the formal rulemaking requested above. we request; that the Commission accelerate the timetable within which it is going to initiate its biennial review process pursuant to Section 202(h).

The Commission's rules must reflect today's world, not that of fifty years ago. They should recognize the growth in the number and variety of media outlets in the media marketplace, as well as significant efficiencies and public service benefits that can be obtained from joint ownership. At the same time, the Commission's rules must reflect the continuing goals of ensuring diversity and localism and guarding against undue concentration of economic power in the marketplace. By agreeing to undertake either one of the above-requested actions, the Commission would demonstrate its determination that the broadcast ownership rules be modernized to enable more robust competition in the marketplace.

We look forward to working with you on this and many other issues of import and thank you for your anticipated cooperation with this request.

Sincerely,



The Honorable W.J. "Billy" Tauzin
Chairman
Committee on Energy and Commerce



The Honorable Fred Upton
Chairman
Subcommittee on Telecommunications and
the Internet

cc:

The Honorable John D. Dingell, **Ranking** Member
Committee on Energy and Commerce

The Honorable Ed Markey, **Ranking** Member
Subcommittee on Telecommunications and the Internet